

112TH CONGRESS
2D SESSION

H. R. 1509

AN ACT

To amend title II of the Social Security Act to prohibit the inclusion of Social Security account numbers on Medicare cards.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicare Identity
3 Theft Prevention Act of 2012”.

4 **SEC. 2. PROHIBITION OF INCLUSION OF SOCIAL SECURITY**
5 **ACCOUNT NUMBERS ON MEDICARE CARDS.**

6 (a) IN GENERAL.—Section 205(c)(2)(C) of the Social
7 Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

8 (1) by moving clause (x), as added by section
9 1414(a)(2) of the Patient Protection and Affordable
10 Care Act, 2 ems to the left;

11 (2) by redesignating clause (x), as added by
12 section 2(a)(1) of the Social Security Number Pro-
13 tection Act of 2010, and clause (xi) as clauses (xi)
14 and (xii), respectively; and

15 (3) by adding at the end the following new
16 clause:

17 “(xiii) The Secretary of Health and Human Services,
18 in consultation with the Commissioner of Social Security,
19 shall establish cost-effective procedures to ensure that a
20 Social Security account number (or derivative thereof) is
21 not displayed, coded, or embedded on the Medicare card
22 issued to an individual who is entitled to benefits under
23 part A of title XVIII or enrolled under part B of title
24 XVIII and that any other identifier displayed on such card
25 is not identifiable as a Social Security account number (or
26 derivative thereof).”.

1 (b) IMPLEMENTATION.—In implementing clause (xiii)
2 of section 205(c)(2)(C) of the Social Security Act (42
3 U.S.C. 405(c)(2)(C)), as added by subsection (a)(3), the
4 Secretary of Health and Human Services shall establish
5 a cost-effective process that involves the least amount of
6 disruption to Medicare beneficiaries and health care pro-
7 viders. The Secretary shall consider implementing a proc-
8 ess, similar to the process involving Railroad Retirement
9 Board beneficiaries, under which a Medicare beneficiary
10 identifier which is not a Social Security account number
11 (or derivative thereof) is used external to the Department
12 of Health and Human Services and is convertible over to
13 a Social Security account number (or derivative thereof)
14 for use internal to such Department and the Social Secu-
15 rity Administration.

16 (c) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Clause (xiii) of section
18 205(c)(2)(C) of the Social Security Act (42 U.S.C.
19 405(c)(2)(C)), as added by subsection (a)(3), shall
20 apply with respect to Medicare cards issued on and
21 after an effective date specified by the Secretary of
22 Health and Human Services, but in no case shall
23 such effective date be later than the date that is 3
24 years after the date of the enactment of this Act.

25 (2) REISSUANCE.—The Secretary—

1 (A) shall provide for the reissuance of
2 Medicare cards that comply with the require-
3 ments of such clause not later than 3 years
4 after the effective date specified by the Sec-
5 retary under paragraph (1); and

6 (B) may permit an individual to apply for
7 the reissuance of a Medicare card that complies
8 with such requirements before the date of
9 reissuance otherwise provided under subpara-
10 graph (A) in such exceptional circumstances as
11 the Secretary may specify.

12 (d) FUNDING.—

13 (1) OFFSET FROM MIF.—Amounts in the Medi-
14 care Improvement Fund under section 1898 of the
15 Social Security Act (42 U.S.C. 1395iii) that are
16 available for expenditures from the Fund for services
17 furnished in a fiscal year (through fiscal year 2020)
18 shall be available for transfer to the Centers for
19 Medicare & Medicaid Services Program Management
20 Account as the Secretary of Health and Human
21 Services determines necessary to offset the costs in-
22 curred by the Secretary (including costs under the
23 agreement described in paragraph (2)(A)) in such
24 fiscal year (or a previous fiscal year) in imple-
25 menting clause (xiii) of section 205(c)(2)(C) of such

1 Act (42 U.S.C. 405(c)(2)(C)), as added by sub-
2 section (a)(3), and this section.

3 (2) AVAILABILITY OF FUNDING FOR THE SO-
4 CIAL SECURITY ADMINISTRATION.—

5 (A) FUNDING UNDER AGREEMENT.—The
6 Commissioner of Social Security and the Sec-
7 retary of Health and Human Services shall
8 enter into and maintain an agreement which
9 shall—

10 (i) provide funds to the Commissioner,
11 at scheduled intervals as specified in the
12 agreement, for the full costs of the respon-
13 sibilities of the Commissioner under this
14 section; and

15 (ii) require an annual accounting and
16 reconciliation of the actual costs incurred
17 and the funds provided under the agree-
18 ment.

19 (B) AVAILABILITY OF FUNDS.—Amounts
20 transferred to the Centers for Medicare & Med-
21 icaid Services Program Management Account
22 under paragraph (1) shall be available to the
23 Secretary of Health and Human Services to
24 carry out the agreement under subparagraph
25 (A) and the Secretary shall provide funds to the

1 Commissioner as required under such agree-
2 ment.

3 (e) ACCOUNTABILITY.—

4 (1) ACCOUNTING OF EXPENDITURES.—The
5 Secretary of Health and Human Services and the
6 Commissioner of Social Security shall—

7 (A) keep a detailed accounting of expendi-
8 tures associated with the implementation of
9 such clause and this section; and

10 (B) submit a report on such expenditures
11 to the Committee on Ways and Means of the
12 House of Representatives, the Committee on
13 Finance of the Senate, and the Comptroller
14 General of the United States, on a semi-annual
15 basis, in each of fiscal years 2013 through
16 2021.

17 (2) AUDIT.—The Comptroller General shall
18 conduct a semi-annual financial audit of the expend-
19 itures of the Department of Health and Human
20 Services and of the Social Security Administration
21 during such fiscal years in implementing such clause
22 and this section. Each such audit shall include an
23 examination of whether funds made available under
24 subsection (d) are used solely for the purpose de-
25 scribed in such subsection.

1 **SEC. 3. MEDICARE SMART CARD TECHNOLOGY STUDY AND**
2 **REPORT.**

3 (a) STUDY.—The Comptroller General of the United
4 States shall conduct a study that examines whether the
5 Medicare program should use smart card technology for
6 Medicare beneficiary cards and for provider membership
7 cards.

8 (b) DETAILS OF STUDY.—Such study shall include
9 an examination of the following:

10 (1) Potential levels of provider investment re-
11 quired to use cards with such technology in various
12 care settings.

13 (2) Systems-related and implementation-related
14 costs to the Medicare program to use such tech-
15 nology.

16 (3) The extent to which private insurance com-
17 panies have adopted or considered such technology
18 and their reasons for adoption or non-adoption of
19 such technology.

20 (4) The extent to which use of cards with such
21 technology would—

22 (A) reduce the potential for identity theft
23 and other unlawful use of Medicare beneficiary
24 and provider identifying information;

25 (B) increase the quality of care furnished
26 to Medicare beneficiaries;

1 (C) improve the accuracy and efficiency in
2 the billing for Medicare items and services fur-
3 nished by Medicare providers;

4 (D) reduce waste, fraud, and abuse in the
5 Medicare program; and

6 (E) impact the ability of Medicare bene-
7 ficiaries to access services.

8 (c) REPORT.—Not later than 2 years after the date
9 of the enactment of this Act, the Comptroller General shall
10 submit to the Committees on Ways and Means and En-
11 ergy and Commerce of the House of Representatives and
12 the Committee on Finance of the Senate a report on the
13 study conducted under this section. Such report may in-
14 clude recommendations regarding the use of smart card
15 technology under the Medicare program.

Passed the House of Representatives December 20,
2012.

Attest:

Clerk.

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